

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:	§	Chapter 11
	§	
W.R. GRACE & CO., <i>et al.</i>,	§	Jointly Administered
	§	Case No. 01-01139 (JKF)
Debtors.	§	
	§	

**FEE AUDITOR'S FINAL REPORT REGARDING EIGHTEENTH¹ INTERIM
FEE APPLICATION OF ANDERSON KILL & OLICK, P.C., FOR THE
PERIOD OF OCTOBER 1, 2009 THROUGH DECEMBER 31, 2009**

This is the final report of Warren H. Smith & Associates, P.C., acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Eighteenth Interim Fee Application of Anderson Kill & Olick, P.C., for the Period of October 1, 2009 through December 31, 2009 (the “Application”).

BACKGROUND

1. Anderson Kill & Olick, P.C. (“AKO”), was retained as special insurance counsel to the Official Committee of Asbestos Personal Injury Claimants. In the Application, AKO seeks approval of fees totaling \$632,543.50 and expenses totaling \$8,688.60 for its services from October 1, 2009 through December 31, 2009 (the “Thirty-Fifth Interim Fee Period”).

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time and expense entries included in the exhibits to the Application, for compliance with 11 U.S.C. § 330, Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of

¹Although AKO has entitled this Application its “Eighteenth Interim,” it covers the Thirty-Fifth Interim Fee Period.

Delaware, Effective December 1, 2009, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. §330, Issued January 30, 1996 (the "U.S. Trustee Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of Delaware, and the Third Circuit Court of Appeals. Based on our review, we sent to AKO an e-mail inquiry, and received a response from AKO, portions of which response are quoted herein.

DISCUSSION

3. In our initial report, we noted the following time entry in which there is a discrepancy between the total time billed and the time recorded in parentheses:

11/05/09	Attention to settlement negotiations (2.30). Extensive discussions with insurance company counsel (2.40). Confer with client (.60).	RMH	5.70	4,816.50
<i>Actual time and fees:</i>				5.30
<i>Overcharge:</i>				338.00

Thus, we asked AKO whether it agreed that a fee reduction was warranted, and AKO responded: "The 5.7 hours of recorded time was a clerical error. We agree that there should be a fee reduction to reflect 5.3 hours instead of 5.7 hours." We appreciate AKO's response and recommend a reduction of \$338.00 in fees.

CONCLUSION

4. Thus, we recommend approval of \$632,205.50 in fees (\$632,543.50 minus \$338.00) and \$8,688.60 in expenses for AKO's services for the Thirty-Fifth Interim Fee Period.

Respectfully submitted,

WARREN H. SMITH & ASSOCIATES, P.C.

By: 

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FEE AUDITOR

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been served by First Class United States mail to the attached service list on this 9th day of April, 2010.



Warren H. Smith

SERVICE LIST
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